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From:

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To:

Cc:

Subject: RE: TEFRA partner case

Since the taxpayer signed Part II of the Form 870-LT, he is bound to the determinations in that part as to affected items. If the attached schedule of adjustments reflects a reduction of the losses based on affected items, the losses are conclusively determined based on these limitations. Part II of the Form 870-LT specifically states that it is binding under both section 7121 and 6224(c). Thus, it has the same binding effect as a closing agreement. See H-Graphics v. Commissioner, T.C. Memo. 1992-345. Nor do we have discretion to abate any paid amounts under section 6404(a).